PRINT’S VOICE Heard on Capitol Hill
POSTAL AND TAX REFORM FOCUS OF FLY-IN

Led by NPES Government Affairs Chairman Ron Rose, President, Nova Pressroom Products, LLC, and his Printing Industries’ counterpart, Brad Thompson, President & CEO, Inland Press, over 50 NPES and Printing Industries of America members gathered on Capitol Hill June 4-5 and called on Congress to enact urgently needed postal reform legislation in 2013. They also made the case for including first-year expensing of capital equipment purchases as an essential element of comprehensive tax reform, as they collectively visited 40 congressional offices during PRINT’S VOICE ’13, the second annual Capitol Hill Fly-In jointly sponsored by the two partner associations.

During the course of the two-day program attendees were addressed by and met with over a dozen U.S. Representatives, five United States Senators and the U.S. Postmaster General. They were also briefed on the printing industry’s government affairs priorities by several panels of issue experts drawn from congressional committee staffs and Washington think tanks.

PRINT’S VOICE has grown into a signature event that brings printers and suppliers together for a powerful program of public policy education, issue advocacy, interaction with Members of Congress, and social events on Capitol Hill.

Jump-starting postal reform in the 113th Congress was a top objective of the Fly-In. After what looked like a fast start at the beginning of the year postal reform stalled in recent months. Fly-In participants were, however, encouraged by comments from House Oversight and Government Reform Committee Chairman Darrell Issa (R-49-CA) (who since the Fly-In has released a new postal reform proposal), and Senate Homeland Security and Governmental Affairs Committee Ranking Member Dr. Tom Coburn (R-OK), key lawmakers with jurisdiction over postal reform legislation who indicated their desire to advance postal reform. In addition, United States Postmaster General Patrick R. Donahoe explained the USPS five-year plan to profitability, outlining actions the Postal Service could pursue unilaterally, and highlighting others that would require legislation.

Although its cash flow has improved slightly, the Postal Service still has a dangerously slim cushion of operating capital and there is no expectation to regain revenue from lost First-Class Mail volume that has permanently left the system. The need to avoid an exigent postal rate continues.

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President's Perspective

First Glance!
FRESH PERSPECTIVE FROM UPCOMING "WORLD WIDE MARKET FOR PRINT" STUDY

Last year NPES commissioned the research division of The Economist magazine to update our acclaimed 2006 study, "The World Wide Market for Print," undertaken by Pira International. Starting afresh, The Economist Intelligence Unit developed the research and methodology from the ground up for this updated version of the study.

Many in the world graphic communications industry will remember the data we provided in past years. The underlying motivation behind the study was to develop a comparable and credible database of country-level intelligence across a host of products and applications. Continuing this approach, the new study will use 2011 as the base year for 51 countries and eventually include forecasts through 2016. The data is preliminary and I’m excited to be able to share this preview with NPES members for the very first time. We expect to release the full report for all 51 countries, as well as forecasts, this summer.

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The U.S. currently leads world print revenue at $132 billion with China at $97 billion, followed by Japan at $55 billion. If we look at the Asian countries noted, along with India, Indonesia and S. Korea, Asia would be the strongest print geographic region.

Reflecting data for 20 key countries out of the 51 total with the base year of 2011, Figure 1 shows the order of total annual revenue for printed products, which includes all types of print from books and magazines to labels and tags. The U.S. currently leads world print revenue at $132 billion with China at $97 billion, followed by Japan at $55 billion. If we look at the Asian countries noted, along with India, Indonesia and S. Korea, Asia would be the strongest print geographic region. While that would be of little surprise to many of us, now that the data is available, it is quantifiable.

In Figure 2, the total amount of ink sales in 2011, illustrates the U.S. at $4.5 billion, followed by China, Japan and Germany. This data includes electro-photographic inks and toner.

U.S. consumables such as film and plates, as shown in Figure 3, have clearly seen the substantial impact of digital encroachment worldwide, with only $1 billion total annual sales in that area. China and Japan are next with $581 and $469 million respectively.

Moving on to the area of substrates, this data is very conclusive and includes coated and uncoated paper along with newsprint, films and foils. As seen in Figure 4, the U.S. leads with more than $116 billion in 2011, followed by China at $70 billion, with Japan and Germany next.

Interestingly, when we compare the Chinese and U.S. markets, and their relative share of print product, they are surprisingly similar. The study further reports the largest print category is packaging with the U.S. at 46% of total print and China at 48%. General commercial print reports an identical 13% for both countries. Publishing reports 18% for China and 14% in the U.S. When the complete report is released this summer, I believe we will see this general trend to be similar across all 51 countries since package printing is, and continues to be a strong growth market in all parts of the world.

Again, this is just preliminary data that I’m pleased to share with you. NPES and The Economist are currently reviewing and finalizing the research and look forward to publication of the complete study and the light it will shed on our industry.
This was my first Capitol Hill Fly-In and I was impressed by the thorough preparation by NPES and Printing Industries. The right people were there; I got a chance to speak with key congressmen. — William “Buzz” Apostol, Vice President Sales-Americas, X-Rite Pantone, Inc.

increase above the Consumer Price Index was a point strongly emphasized in lobbying visits during the Fly-In.

House Budget Committee Chairman and former Vice Presidential candidate Congressman Paul Ryan (R-1-WI) spoke about the imperative of curtailing government spending and the need for comprehensive pro-growth tax reform, the other principal focus of the Fly-In. Prospects for tax reform were also addressed by Aaron Taylor, Senate Finance Committee staff; Mark Libell, Legislative Director; Senator Jay Rockefeller; Sage Eastman, Strategy & Public Affairs Director, House Ways & Means Committee; and, Stephen J. Entin, Senior Fellow, The Tax Foundation.

House Education and Workforce Committee Chairman Congressman John Kline (R-2-MN) addressed Fly-In participants about labor and workforce policy issues, and Rudy Penner, Urban Institute Resident Scholar, and Former Director of the Congressional Budget Office, along with Bill Beach, Chief Economist, Senate Budget Committee briefed NPES members on federal budget deficits and the national debt.

Before beginning a full day of lobbying visits on Capitol Hill, Fly-In participants received a rousing send-off by House Majority Chief Deputy Whip Congressman Peter Roskam (R-6-IL), in which he stressed the importance of constituent input to legislators.

To round out the program’s political perspective, participants also heard from moderate Freshman Democrat Senators, Joe Donnelly (D-IN) and Heidi Heitkamp (D-ND), who were featured speakers at the Fly-In Congressional Luncheon and concluding Gala Dinner respectively. Each voiced an understanding of the need for postal and tax reform legislation.

House Majority Leader, Congressman Eric Cantor (R-7-VA) was a surprise special guest at the Gala.

Fly-In participants gave the program high marks. Todd Blumsack, Vice President Sales, Xeikon America stated, “The Industry Fly-In was a great experience. The trip let me see the great work the organization does on the Hill. I was able to meet and present our views to many members of the Congress as well as the Senate, listen to various interesting individuals from our government, meet new people within our association,
The NPES Fly-In provided me a very efficient way to get up to speed on the most urgent issues facing NPES’s membership, and educate policy makers on the role NPES companies play in the economy. —Alec Rogers, Esq., Manager, Government Policy, Xerox Corporation

and see the inner-workings of Capitol Hill. I would recommend the Fly-In to all members of our organization. “These thoughts were echoed by Patrick J. Patton, Vice President of Sales, Standard Graphics Mid-Atlantic Inc., “PRINT’S VOICE was an excellent event. I enjoyed spending time with industry peers as we presented the printing industry’s government affairs priorities to our elected representatives on Capitol Hill.”

DJ Burgess, President/CEO, Burgess Industries, Inc., commented that, “The time we spent, face to face, delivering feedback to our elected officials was invaluable. As a past NPES Chairman and business owner in this industry, I ask that we continue in growing numbers to reach out to our Senators, Congressmen and their staffs to demonstrate the value, strength, and sustainability of our industry.”

Chris Lyons, Worldwide Director Communications & Marketing, Commercial Marketing, Eastman Kodak Company added, “My thanks to NPES for pulling off a great couple of days; the content, the value and hopefully the impact of our visits on Capitol Hill will be felt for years to come!”

Both NPES and Printing Industries of America look forward to continuing the synergy of their PRINT’S VOICE Capitol Hill Fly-In partnership in 2014 and expanding industry participation.

For more information contact NPES Government Affairs Director Mark J. Nuzzaco at phone: 703/264-7235 or e-mail: mnuzzaco@npes.org

TO VIEW THE FULL PROGRAM AND BRIEFING BOOK VISIT: WWW.NPES.ORG/PRINTS_VOICE_13.ASPX
Erich A. Midlik is Executive Vice President of Prime UV-IR Systems, Inc. With Prime UV-IR since its inception in 1988, his responsibilities have included various roles within the company. Mr. Midlik has consulted with and presented to a variety of firms across the graphic communications industry. In addition, he has worked with packaging manufacturers and converters with worldwide operations, and installed UV curing systems on all types of packaging presses including inline offset presses and CI flexo presses. Mr. Midlik holds a B.A. in Economics from Columbia University, New York and serves on the NPES board.

For a small company, Prime UV-IR has achieved success in several international markets; to what do you attribute that success?

In recent years, Prime UV-IR has enhanced its international presence, during which I relocated to Germany for a four-year period to open our European office returning to the United States approximately a year ago. Fortunately, our time, my time and the money we’ve invested have reaped benefits, substantially increasing our international business from 5% of our total business, to over 50%.

There are a number of challenges associated with the vast increase in our international business. First, how do you capture that business, and then, how do you sustain and service it? We’ve invested substantial resources training our service technicians in various parts of the world and also sought increased flexibility from our service, engineering and support staff. You have to create a culture where personnel are expected to spend significant time away from home and are willing to go the extra mile to ensure that we satisfy the needs of our customers.

We changed the design of our equipment to offer remote diagnostic capabilities, accommodating different time zones and local practices, and providing the critical ability to log in and service equipment remotely. Less significant practicalities can often get overlooked, such as shipping—right down to the type of wood that’s utilized and the design of your crating; documentation; terms; and, negotiating tactics. It really has been “the top to the bottom” educating our staff to better support our global business.

Your company has a presence in several of the world’s fastest-growing print markets; which of these are the most significant for your company’s success today and moving forward?

The common denominator has been to go where there is the greatest interest in our equipment. Purely because of the size of their economies and the real potential that gives them, India and China are where you would want to hang your hat. For our company, the best fit thus far has been India, where over the last seven years I’ve met extensively with both end-users and press manufacturers. In India you find a true entrepreneurial spirit, where companies are willing to explore and test nonconventional technologies and embrace successful technology to gain a competitive edge.

NPES Global Programs, through the NPES India office, has been extremely helpful to my company both in the past and most recently through my participation in the NPES 2013 Print Business Outlook Conference in conjunction with the Association’s Trade Mission to India. I recommend taking advantage of this invaluable and personalized assistance as member companies explore their options and efforts to expand abroad.

After India, all of Asia provides a world of opportunities. Despite China’s varied challenges, being able to gain business in China and the rest of Asia is critical for our future success.

In today’s changing marketplace, how important is it for NPES members to explore new opportunities in the global marketplace?

From small member companies to large, making the most of the global marketplace is of fundamental importance for ensuring growth and improving the chances of success for future generations. Larger companies have extensive staff located throughout the world, but companies such as ours simply don’t have the personnel or resources to compete on the same scale. For me to just travel and try to set up an appointment takes up so much time and energy and can prove unproductive. Again, that is where NPES Global Programs can help with information on the local market, its customs and conventions, and facilitating appointments.

For a smaller company, the difficult part is figuring out the most cost-effective means of selling your product and finding the right players at the local level, whatever your market. I’ll be going back to Australia shortly. In the past I’ve focused on the newspaper and semi-commercial print markets. On this trip, I will also concentrate on a couple of products we’ve come out with that are really well suited for packaging and flexographic packaging, and I hope to meet with potential dealers while I’m there.

What new opportunities do you see on the horizon for your company?

In the past Prime UV-IR has been dedicated to engineering, manufacturing and supporting UV curing systems and IR drying systems designed for high-speed, web applications for offset web printing. As the quality and the speed of other print technologies continue to improve, there are more opportunities and now many companies are looking at packaging.

There is growth not only in digital but also in flexographic, and even traditional offset companies are developing new presses and product lines specifically for packaging. With this tremendous potential we have to design equipment suited to specific applications within the packaging realm because there are so many different areas to pursue.

What is your forecast for our industry over the next few years?

Print is very much alive and needed throughout the world. Although the technology and the format employed in the various regions differs broadly as GDP per capita differs from country to country, packaging and point of purchase create enormous global potential whatever the technology: flexographic, gravure, offset or digital. Many companies are doing the research to determine how to best leverage what they do best and which market niches can be best exploited for maximum gain in the global marketplace. Prime UV-IR does not need to provide products for mass appeal—we’re not set up nor do we have the capital to do this—but we do need to provide products which function extremely well that appeal to a select market or markets across the world. Properly identifying, engineering, delivering and supporting these particular products is the key which proves critical to success for many companies, especially the smaller ones.
At Daytona, PRIMIR Champions Change
WINNING THE RACE TO BUSINESS SUCCESS

The only race in sight in Daytona Beach, April 8-10, 2013 at the PRIMIR Spring Meeting, was the quest to identify “how to achieve new business success” in our industry. Speakers at the meeting, held at The Shores Hotel in Daytona Beach, Florida, focused on the changing printing industry and where and how to be successful—whether through developing new sales tactics, adopting productivity improvements, engaging in new business development techniques, or exploring opportunities with emerging printing technologies.

Daytona Beach is also home to DME—whose 11-acre campus was the focus of this meeting’s plant tour. DME’s state-of-the-art facility was featured in case studies for several recent PRIMIR reports and as noted in one recent PRIMIR study, “DME experiences solid growth at a time when recovery is still on the minds of most businesses.”

Links for each general presentation are found at www.primir.org under the “Presentations, Articles and Videos” tab.

PRIMIR Recognizes...

Above: Colleen Molkenbur (l) receives her plaque of recognition from PRIMIR President Kip Smythe, who also recognized several other members for their key roles in the successful completion of PRIMIR research studies.

Andy Gordon and Frances Cicogna, Manager, Product Marketing, Canon USA, for guiding the “eCommerce & Print Business Models” study through to completion.

Remin Zamani, Executive Vice President, Marketing, Mindfire Inc., and Colleen Molkenbur, Sr. Product Marketing Specialist, Production Systems, Canon USA, for their efforts to complete the study, “Impact of Integrated Marketing on the Printing Industry.”

Opening up the meeting on a light note, through stories of individuals in all walks of life, Sammy Papert, CEO of Wormhole, in his customary Hawaiian shirt, stressed the value of ways to “Think Differently—Break Out of Your Box,” demonstrating how important it is to change your thinking to bring about change in an organization.

Keynoter Dr. Joe Webb, Director, Whottheythink’s Economics and Research Center, stated that traditional print sales are based upon selling something that clients have always needed, whereas, business development is based on understanding a client’s problems and suggesting a range of solutions.

PRIMIR meeting attendees were impressed by DME’s very innovative end-to-end facilities in Daytona Beach.

The “Emerging Printing Technologies & Applications” study presentation, whose complete findings were presented at the meeting by Tom Ashley, Director and Founder of Pivotal Resources USA, is posted under the “Research Studies” tab by the study title. (PRIMIR members must be logged in to see the download link.)

Tom Ashley, Director and Founder of Pivotal Resources USA, presented findings from the completed PRIMIR research study, “Emerging Printing Technologies & Applications.”

Brad Taylor, Partner and Director of Business Development at SunDance Marketing Solutions, elaborated on transforming his firm from a general Commercial Printer to a Marketing Solutions Provider.
Wide format signage has been one of the most visible (no pun intended) areas of interest for commercial printers looking to expand their application offerings and top-line revenue. Historically, wide format signage printing has been the exclusive domain of dedicated signage print shops, ranging from digital color print shops to screen printers. With the advent of more productive wide format inkjet digital printing equipment—including eco-solvent, latex, and UV-curable ink technologies—commercial printers have been able to extend their product offerings to their existing client base with relatively small investments that provide far greater margins than one is able to obtain in document printing. Digital wide format signage printing is not a new industry nor is it immune from the impact of electronic technologies.

Electronic signage can be defined in many different ways by different segments of the industry. To avoid confusion between signage that may be printed digitally and displayed electronically, I.T. Strategies defines electronic screens as those with the capability of being controlled electronically using a computer or other devices, and allow individuals to remotely change and control their content. We do not include electronic billboards in this definition.

Industry experts estimate that in North America in 2012 there were 837,000 display screens installed. Of these, 43% are used primarily for third-party advertising. Other displays are used for location branding and staff or patron communications. Displays not currently carrying advertising or sponsored messaging (such as menu boards in fast food restaurants) are growing the fastest.

With the falling cost of flat panel displays, large national retailers like Wal-Mart and shopping mall operators have been trying to introduce electronic signage into their retail stores for several years with limited success so far.

The reasons for the limited success of electronic signage have less to do with short-term economic recession issues and more to do with the larger, longer-term structural issues, which include:

1. Cost of building out the electrical infrastructure
2. Cost of developing new content—video rather than static, or greater amount of static content to drive sufficient advertising revenues to create a return on investment (ROI)
3. Uncertainty of regulatory issues with wireless transmittal of content
4. Transmission security—concern that rogue entities could hijack the screen to display unauthorized content, and
5. Potential vandalism of the electronic display.

The cost of building out the electrical infrastructure is often greater than it appears, due to the expense of modifying existing buildings with electrical wiring in places that were never intended to have wiring. Often this cost is significantly greater than the price of the flat panel display itself.

It is perhaps the second reason that appears to be hampering existing installations of electronic displays, especially in shopping malls. Many of the early electronic display installations in upscale shopping malls have gone dark due to a lack of content. To gain the ROI, reportedly as many as 8-12 advertisements are needed to rotate on a screen daily. It is also difficult to scale the number of advertisements. Additionally, it is difficult to sell many more advertisements given that advertising budgets are typically static and shared among a growing number of communication channels.

Wireless transmission of content for public display can, in some instances, be construed as broadcasting. Until lawsuits set precedent, a broadcasting license may be required to be able to transmit images for display in retail stores. More likely, over time the wavelength over which the images can be transmitted for retail advertising will become dedicated, perhaps auctioned off to the highest bidder by the Federal Communications Commission (FCC). Until this is resolved, some retailers are using USB memory sticks to manually upload information to the screens.

Computer transmission security in today’s age of rogue computer programmers/hackers is never far from any IT provider’s mind. Whether for profit or protest, the viral effect of potential misappropriation of electronic displays throughout shopping malls is a threat to brand owners since carefully crafted messages can be altered in an instant. While no instances are known to have occurred so far, it is a real concern for those who own the locations where these electronic displays reside.

The cost of potential vandalism is also a concern. The replacement of a printed sign is minimal. The replacement cost of a new electronic flat panel display will run in the hundreds of dollars. The mere novelty of electronic display signs may attract unwanted attention by vandals, or perhaps even thieves who see an opportunity for a quick score.

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Opportunity for Wide Format Printer Manufacturers

With growing visibility into what many brands consider “the moment of truth,” point-of-sale (POS) wide format advertising is playing a larger role in the minds of advertisers than ever before. With increasing communication channel fragmentation, POS remains one of the most powerful marketing tools for advertisers. As the long-term challenges to electronic display signage become clearer to retailers and shopping mall owners, the decision to invest in printed wide format signage becomes easier. There is opportunity for wide format printing equipment and supplies manufacturers to continue to ride on the momentum experienced by commercial printers with wide format signage. Increasing education about the value of wide format print and the advent of ever-more productive wide format printers is opening up more opportunities for wide format printing equipment and supplies manufacturers than ever before.

Threats to Wide Format Printer Manufacturers

The impact of electronic technologies upon wide format printing equipment and supplies manufacturers is among the lowest of all print applications, with only package printing being more protected from electronic substitution. Ironically the biggest potential threat may ultimately come from one of the wide format equipment manufacturers.

Some wide format printing equipment manufacturers are divisions of much larger conglomerates. Within those conglomerates we may find someday a desire to leverage their contacts into the wide format signage industry to help them sell and manage service contracts to manage electronic display content. The challenge, of course, is that the wide format printing equipment manufacturers have contacts with dealers and commercial printers, not with the brands. So the synergies may not be as strong as they may appear to the upper managers of those conglomerates.

How Do Wide Format Printer Manufacturer Members Respond?

There is little to respond to at the moment aside from highlighting the benefits of print against the long-term structural challenges faced by electronic display technology for wide format graphics applications. The opportunity is to educate the market in general about the power of print during the “moment of truth” that occurs millions of times daily in retail stores across North America. Print’s proven low-cost impact among all the point of purchase (POP) advertising channel options is unsurpassed.

Conclusion

Digitally printed wide format page volumes are projected to grow at 5%, compounded annually through 2017. Retail pricing for finished output continues to range between $2-10 per square foot, depending on substrate and job size. For typical $2 million annual revenue commercial printers, who sell as little as five wide format prints per day, wide format printing adds nearly 4% to their annual profit. For many commercial printers of that size this may well double or triple their annual profit.

Statistically, well under 10% of commercial printers offer wide format graphics printing services today. Given the near risk-free hardware acquisition cost, the real cost threat results from delaying an acquisition of a $10,000–$200,000 indoor/outdoor printing capable inkjet printer. The “first mover” advantage is powerful. Wide format printer manufacturers need to educate their prospects that waiting for hardware prices to decline even further is futile. Any “cost savings” will have been mitigated by having to “buy” market share from the commercial printers that already adopted wide format inkjet technology.

It is not foreseeable when electronic display signs will start to impact wide format printed signage; it will happen at some point, but for many, perhaps not in our working careers.
A Qualified Prospect: • Has a sense of urgency about making a purchasing decision. • Has a need for a product or service. • Has the authority and ability to buy or commit. • Trusts you and your organization. • Will listen to what you have to say.

Five Ways to Sabotage Your Trade Show ROI—From Inside Your Own Booth!

Trade shows allow companies to show off their latest products in one place to a large number of people. They also represent a one-time shot at accelerating the sales process. With the right tools and resources, your trade show booth can literally provide a year’s worth of sales in just a few days. Without them, you can easily sabotage any ROI you might have earned. Here are five pitfalls to avoid if you want to be successful and sell effectively.

1. Poor Planning: Planning is one of the most important things that you can do as you prepare for a trade show. Don’t leave things to chance—set the groundwork.
   • Ensure that you have correctly planned for the booth itself.
   • Identify the key decision makers you wish to reach during the show. Schedule appointments before the show. Plan your time and manage it carefully.
   • Research new prospects attending the show who you would like to sell to.
   • Create a show staffing plan: who will do what and when.

2. Lack of “Boothmanship”:
   Few things will impact your success to sell at a trade show as your ability to meet and qualify customers at your booth. One of the great equalizers is what I like to call “boothmanship”—a mixture of energy, enthusiasm and flair that can set you apart from the rest.
   • Detect the decision makers from the window shoppers.
   • Fine-tune your greeting: Introduce yourself, and engage the customer. Keep it simple and non-threatening. Ask open-ended questions. I usually just ask: “What caught your eye about our booth today?”
   • Be positive. No matter how many hours you have put in that day: Smile! A sale may depend on it.
   • Be entertaining, but you must know your stuff;
   • Develop a two-way conversation that is on point, not a formal sales offensive. What are the customer’s actual needs?
   • Qualify. Qualify. Qualify. Find the real “qualified” prospects.

3. Ineffective Product Demos and Presentations:
   Even if you have the right decision makers lined up, you can still go wrong with the wrong location, the wrong people from your team, or a poor presentation that is rushed or emphasizes the wrong product features.
   • Location: No floor product to demo at the booth? Select a quieter location away from distractions to make your presentation and gain the full attention of your prospect.
   • Equipment: Make sure all the electronics, computers, lighting, sound system, screens, etc. you need for the presentation are backed up, plugged in and primed to go when needed.
   • Timing: Time is money—yours and theirs. Make an appointment.
   • Getting it Right: Your presentation should be succinct, on point and engaging.

4. Lacking the Right Sales Skills:
   Top salespeople have persuasive personalities. How good of a salesperson are you?
   • Ask for the order: This is your job. Be direct.
   • Deal with objections: If it’s not feasible to close at this point, don’t abandon the sale, postpone it, set up another appointment, and move on to another prospect.
   • Negotiate: Price is the biggest sticking point in any sale. Don’t forget the product’s value.
   • Close the deal. Use that persuasiveness!

5. Forgetting to Follow Up:
   Phew! The show is over and you can finally relax. Or can you? Right after the show:
   • Make notes: We all forget the finer details.
   • Follow Up: With prospects not closed at the show.
   • Reach out: To anyone you did not reach at the show.
   • Plan…for the NEXT show.

For more information contact Carl Henry at: www.carlhenry.com or e-mail: carlhenry@carlhenry.com.
NPES Urges Pro-Growth Tax Reform: CAPITAL INVESTMENT ESSENTIAL TO SUSTAINED ECONOMIC SECURITY

In statements recently filed with the Ways and Means and Small Business Committees of the U.S. House of Representatives, NPES urged pro-growth tax reform as essential to a more robust economic recovery and sustained economic security. The Association strongly supports reducing compliance costs and facilitating business planning for the future by simplifying and making permanent tax laws critical to smaller businesses.

NPES focused on the pro-growth economic power of capital investment and the appropriate way to account for it within the tax law. NPES believes that Ways and Means Chairman Dave Camp’s Discussion Draft’s proposal to make permanent IRC Section 179 expensing at $250,000 phased out for investments exceeding $800,000 (with both amounts indexed for inflation)—is preferable to these levels reverting in 2014 to the very inadequate amounts of $25,000 and $200,000 respectively if no action is taken.

However, NPES urged that more could and should be done to reduce the service price of capital, which historically has had a major impact on investment, employment and output. Ideally, this would entail moving to 100% expensing for all capital investment in equipment, including printing, publishing and converting technologies.

NPES’s congressional testimony was also quick to emphasize that 100% expensing should not compete with other pro-growth tax reforms. More particularly, giving up expensing or decelerating depreciation deductions in exchange for other corporate tax reforms must be avoided. Expensing and accelerated depreciation have long been advocated and widely accepted as policies that efficiently encourage and account for capital investment that stimulates job-producing economic growth which, in turn, generates increased tax revenues.

NPES also supported maintaining the new inflation-adjusted Federal Estate Tax exemption levels of $5.25 million (individual) and $10.50 million (couple) as adequate to avoid burdening the generational transfer of most family-owned small businesses, absent full repeal of the Estate Tax.

To view NPES’s full statements to the U.S. House Ways and Means and Small Business Committees visit: www.npes.org/TaxReformWM and www.npes.org/TaxReformSB.

For more information contact NPES Government Affairs Director Mark J. Nuzzaco at phone: 703/264-7235 or e-mail: mnuzzaco@npes.org.

Sidelines Debuts at PRINT 13

NEW PAVILION CATERS TO PRINTERS SEEKING NEW REVENUE STREAMS

At PRINT 13, set for September 8-12, 2013 at McCormick Place, Chicago, IL, the Graphic Arts Show Company (GASC) will introduce the new show floor attraction, Sidelines—The Expanded Revenue Streams Pavilion, sponsored by PRINT+PROMO Magazine.

As its name indicates, Sidelines will provide a destination at the show for those seeking new revenue sources, and a home base for suppliers of advertising specialties and specialty printed products.

Today’s printers are motivated and eager to find new profit opportunities to represent and/or include in their service offerings. They have customers who purchase these specialty items, but not the capabilities to manufacture them. And that is where Sidelines comes in.

PRINT 13 attendees are looking for new technologies and low investment opportunities to satisfy their existing customers and attract new prospects. Sidelines will feature the latest print applications, and with so many specialty products featured attendees are sure to find something of interest.

Debuting also with Sidelines are these new and “re-imagined” show floor attractions at PRINT 13:

- Deliver - The NEW Mailing & Fulfillment Center, sponsored by United States Postal Service (USPS) and Association of Marketing Service Providers (AMSP) [formerly MFSA];
- Photo Finish - The Photo Imaging Pavilion, sponsored by Photo Imaging News and Special feature (“Shoot-Out”) Sponsor: SPI Convention; and,
- BIG - The NEW Wide Format Pavilion, sponsored by the International Sign Association (ISA).

These innovative new show floor attractions join familiar pavilion favorites on the show floor. For more information about PRINT 13, visit www.print2013.com.
Even though there were slight decreases in the market for digital presses in 2012, it is not experiencing the steady declines that traditional equipment and supplies are undergoing year after year.

NPES’s collection and reporting of equipment and supplies shipments data was greatly enhanced by the addition of digital press data in 2010, resulting in a much clearer view of the industry than previous data had shown. This is illustrated in the chart above, which paints a picture of the total market for printing equipment (including digital presses) and graphic arts supplies.

In 2012, the market for production digital presses fell 4% to $1.2 billion, while the total market was nearly $2.4 billion, a 5% decrease from 2011. Even though there were slight decreases in the market for digital presses in 2012, it is not experiencing the steady declines that traditional equipment and supplies are undergoing year after year. In 2007 and 2008, the analog market did exceed or stay even with the digital market. However, with digital printing becoming a more integral part of the equipment mix, there was a shift and digital began exceeding the analog market, which can be seen from 2009-2012.

The total market, even though in decline due to declining traditional equipment and supplies sales, remained somewhat steady after 2008, thanks in large part to digital press sales. Bear in mind that the “Great Recession,” which began in December 2007, had a tremendously negative effect on the printing industry, but sales of digital presses continued to grow after the recession came to an end in June 2009.

For more information, or to join the free NPES Market Data Program, contact Assistant Director of Market Data and Research, Rekha Ratnam, at phone: 703/264-7200 or e-mail: rratnam@npes.org.